

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

SPEARS WATER DISTRICT TO
DEVIATE FROM 807 KAR 5:066,
SECTION 12, EXTENSION OF
SERVICE

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CASE NO. 8638

O R D E R

Preface

On August 31, 1982, Spears Water District ("Spears") filed a tariff with the Commission in which it proposed to deviate from 807 KAR 5:066, Section 12, Extension of Service, with regard to charges for an extension of its water main in the Vince Road area of Jessamine County. Specifically, Spears proposed a minimum charge of \$2,000 which would be applicable to its customers in Jessamine County and contiguous territory and would be assessed in addition to the previously approved connection fee for service line and meter installation.

In April 1981, Spears undertook a construction project which extended the water main along Vince Road. Upon completion of the project Spears expected to add approximately 12 new customers to the system. The cost of the project was \$24,372 and was to be recovered from construction fees collected from the prospective customers. As of August 31, 1982, only one customer had connected to this extension of

the water system. Spears has collected \$6,000 as an advance for construction from this customer, leaving a balance of \$18,372 which would be recovered by applying the proposed \$2,000 connection fee.

On September 2, 1982, the Commission suspended the tariff for 5 months from the proposed effective date of September 26, 1982. The page of the tariff suspended was Original Sheet No. 7.

Findings in this Matter

The Commission, after considering the evidence of record and being advised, is of the opinion and finds that:

1. Spears has extended the water main along Vince Road in order to furnish service to prospective customers without requiring the total cost of the excessive footage over 50 feet per customer to be deposited with the utility by the applicant(s).

2. The balance of the cost of extending the water main along Vince Road is \$18,372 and should be capitalized and treated as an addition to the existing plant in service.

3. It is not in the best interest of the public to allow the proposed deviation from 807 KAR 5:066, Section 12, as it will impose an unfair burden on some Spears customers.

Orders in this Matter

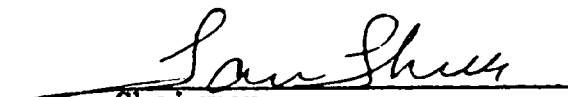
The Commission, on the basis of the matters set forth and the evidentiary record in this case:

HEREBY ORDERS that the proposed tariff, Original Sheet No. 7, be and it hereby is denied.

IT IS FURTHER ORDERED that Spears shall treat the aforementioned \$18,372 as a capital investment to be handled in a manner in accordance with accounting procedures prescribed by this Commission.

Done at Frankfort, Kentucky, this 22nd day of October, 1982.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary